

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1970 - HB 2066**

March 5, 2018

**SUMMARY OF BILL:** Authorizes a county legislative body, by two-thirds majority vote, to pass a resolution establishing allocation requirements for payment in lieu of tax (PILOT) payments made by municipal electric systems to local taxing jurisdictions. Authorizes municipal electric systems to make PILOT payments in excess of what is required.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Under current law, pursuant to Tenn. Code Ann. § 7-52-304, municipal electric systems may make PILOT payments to all applicable local taxing jurisdictions, with the allocation of such payments determined pursuant to Tenn. Code Ann. § 7-52-307, unless a contract, agreement, private acts, home rule, or metropolitan charter stipulates a different allocation.
- The proposed language would authorize the county legislative body to determine PILOT payment allocations by passage of a resolution by two-thirds majority and authorize municipal electric systems to make payments in excess of what is required.
- Such PILOT payments are made by municipal electric systems to local taxing jurisdictions. Any alteration to current allocations of PILOT payments will result in a shift of funds allocated between local government entities; however because the shift is occurring solely between local government entities, the net impact to local government is considered not significant.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumption:

- The proposed language is applicable to PILOT payments made by municipal electric systems to local taxing jurisdictions and will not result in any significant impact to commerce or jobs within Tennessee.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jrh